
**COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD
HEARING**

**Thursday, April 26, 2007
Minutes**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS OR DISCUSSIONS TAKEN BY THE COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD HEARING. AN AUDIOCASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The RHNA Appeals Board Hearing was held at the SCAG office in downtown Los Angeles.

Members Present

Hon. Gil Coerper – Orange County
Hon. Jon Edney (**Chair**) – Imperial County
Hon. Timothy Jasper – San Bernardino County
Hon. Carl Morehouse – Ventura County
Hon. Paul Nowatka – Los Angeles County
Hon. Charles White – Riverside County

Alternate Members Present

Hon. Melanie Fesmire – Riverside County
Hon. Larry McCallon – San Bernardino

1.0 CALL TO ORDER & PLEDGE OF ALLEGIANCE

The Honorable Jon Edney, Chair, called the meeting to order at 9:05 a.m.

2.0 PUBLIC COMMENT PERIOD

Lynn Harris, SCAG, stated that the City of Costa Mesa had submitted a letter, dated April 17, 2007 and signed by the City Manager, that they asked be on the record as public comment. Costa Mesa did not file either a revision or appeal request.

The letter read that the City of Costa Mesa has been actively working with SCAG in the process of establishing the draft RHNA allocations. The City has been responsive to SCAG's requests and has made it a priority to participate in the various workshops and meetings. Subsequently when the draft RHNA allocation for the City of Costa Mesa was established, the City decided not to appeal the designated allocation. However, with the recent adoption of SB-12, the City is

concerned that as a result of the upcoming appeal hearings for Irvine, Laguna Niguel, Orange, San Juan Capistrano, Tustin, Yorba Linda, and Aliso Viejo, that SCAG may assign additional units to the City of Costa Mesa. In light of the inability to make any future appeals, the City hereby goes on record that Costa Mesa opposes any redistribution of other cities' allocations and that SCAG proceed with the allocation established for the City of Costa Mesa.

3.0 REVIEW AND PRIORITIZE AGENDA ITEMS

4.0 INFORMATION ITEMS

None

5.0 ACTION ITEMS

5.1 Consideration of Revision Requests

- 5.1.1 **City of Norwalk** - Revision request to reduce draft RHNA allocation by 11% (35 units) and to adjust the income category distribution to reduce their fair share of affordable housing.

Mr. Bing Hyun, City of Norwalk, stated that the City of Norwalk wanted to go officially on record as opposing the allocation numbers. Norwalk is concerned that the State is assigning housing units down to the city, rather than population. If the state assigned population, cities could more realistically account for their population growth. Norwalk is a built out city and does not have a lot of opportunity for additional units. Norwalk can prove that increased population is accommodated through room additions and other methods, and not getting credit for it. Also, Norwalk does not have the infrastructure to handle its growth.

Norwalk is looking into in-fill housing. It is considering taking commercial sites and building high density residential projects, particularly for low income families. However, in talking with developers, it is clear that Norwalk is \$4-8 million short of funds.

Peter Brandenburg, SCAG, presented the Staff report. Mr. Brandenburg stated that the City of Norwalk did request an 11% reduction in their allocation which would bring it from 329 units to 294 units. Norwalk cited the basis as AB 2158 factor: availability of lands and lands protected under federal and state programs. What Norwalk submitted was not sufficient to support a reduction in the allocation. Under the availability of land factor the City cited various sites in the city and zoning and general plan designations, which is not an admissible bases under lands protected by existing

state and federal programs. There was mention of a 50 acre department of defense facility which has some deed restriction that would preclude any residential development. While that might be true, this amounts to less than 1% of total land area in the city. There was little or no discussion of Norwalk's ability to plan and zone the remaining 99% of land and analyze its potential for housing development. The same 50 acre site was mentioned under AB 2158 Factor: lands protected under federal and state programs factor. The restrictions on the property may be related to federal programs there is no evidence that those programs are designed to protect open space, farmlands, or their environmental resources. Staff's analysis of household growth trends in Norwalk is consistent with the RHNA allocation or may even suggest a higher number if looking at purely at trend.

Mr. Hyun stated that he wanted to key in on one comment that was mentioned in the staff report. He wanted clarification on the higher number.

Mr. Brandenburg responded that looking at the household growth trends for the period of 1990-2000 staff calculated a purely trend based estimate of 662 additional households over the planning period.

Hon. Carl Morehouse inquired of Mr. Hyun as to how large Norwalk's geographical area was. Mr. Hyun stated approximately 10 sq. miles. Hon. Carl Morehouse then inquired what Norwalk's ability was to utilize second dwelling units or some other way to achieve the required units. Mr. Hyun responded that Norwalk currently had a second dwelling ordinance and the public is aware of it. The City has focused its efforts on taking commercial land, which is no longer viable. As a built out city there are a lot of serious constraints due to lack of vacant land.

When the Department of Defense took their property, they informed the City that the property could not be used for residential housing. This took 30% of the vacant and unutilized land out of potential development.

The justification for Norwalk's revision request includes lack of infrastructure, and lack of available land. The city is currently doing a density study for a residential project. Norwalk, based on the last census, was one of the top thirty or forty cities in terms of density, number of persons per square mile.

Hon. Paul Nowatka inquired of staff if their analysis reflected that 50 acres may be restricted. He asked if Norwalk can provide documentation that this represents 30% of the available land, and that this restricted acreage would have made a difference in their numbers.

Mr. Brandenburg responded that there were two factors. Under the lands restricted factor, technically the law says that those restrictions are for environmental purposes, natural resource and habitat protection. If Norwalk could provide a deed restriction that reflects that justification it would be considered. Otherwise it wouldn't qualify under the lands available. SCAG's legal counsel concurred that if the land was deed restricted, it is not available.

Mr. Hyun responded that Norwalk could currently not provide a copy of the deed restriction. A copy of a letter and e-mails from the Department of Defense can be provided that states there is no way the acreage can be residential. The Department of Defense is currently negotiating with Norwalk saying they will apply the deed restriction or they convey the property to Norwalk.

Hon. John Edney responded that the Committee had 10 days to verify in writing which would allow Norwalk time to provide Staff and SCAG's legal verification that the deed restriction is going to take place.

SCAG's legal counsel inquired if the acreage was still in possession of the Federal Government. Mr. Hyun responded that it was. Counsel replied that in itself qualifies as unavailable. There is no deed to restriction because the land is currently owned by the Federal Government; Norwalk does not own the land. Mr. Hyun also stated that Norwalk would agree to drop its appeal if granted a revision.

MOTION (Hon. Timothy Jasper) was made to grant the revision of 35 units contingent upon the applicant verifying appropriate deed restrictions or documentation on the 50 acres of federally owned property. And, that Norwalk withdraws their appeal.

MOTION was SECONDED (Hon. Charles White).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes

Orange County - Yes

Riverside County – Yes

San Bernardino County – Yes

Ventura County – Yes

Imperial County - Yes

5.1.2 **City of Sierra Madre** - Revision request to reduce draft RHNA allocation by 70% (98 units).

Lynn Harris, SCAG, announced that she had an item to add to the record for the City of Sierra Madre's revision. Staff received a letter from a Mr. Bart Doyle, stating that a letter from HCD may be relevant to the appeal for the City of Sierra Madre's RHNA number. Ms. Harris then passed out a copy of the referenced letter dated April 6 from the Department of HCD, which outlines Measure 5 signed by Kathy Creswell, Deputy Director.

Mr. John Buchanan, representing the City of Sierra Madre, stated that there was a point that is referred to in the appeal that needs more attention and clarification. The City of Sierra Madre is 3 sq. miles and 10,500 people. Sierra Madre has a substantial amount of hillside slope.

Staff has an exhibit that actually shows above a certain line in the City, there is a substantial amount land sloped at 40%, which are actually hillsides but mountains. Sierra Madre has 793.63 acres above the City slope line where it takes off above 15% and goes up to 40% or greater and is largely not developable. Within the 793.63 acres there are 120.5 acres that were purchased with Prop. A money and therefore are state protected as 'Open Space'.

Sierra Madre does not know if SCAG staff's initial evaluations actually allocated units to the 120.5 acres. If it did, there is a problem because it is state protected land and cannot be built upon. In addition to that, there are 192.77 acres of land that are subject to a conservation easement by State law and also protected from development. This comes to roughly 313 acres that are subject to State law protected from any development. In that area, Sierra Madre also has 29.73 acres that are spreading basins, reservoirs, and watersheds. There are 28.29 acres of debris basins in the 793 acres referred to earlier. As a result within that hillside there is a substantial amount of acreage that is undevelopable.

One other thing that was referred to in the staff report was a reference to the fact that Sierra Madre perhaps did not consider the possibility of up-zoning flat land in and around the City. In point of fact, the job growth allocated to Sierra Madre has not increased for some period of time. The industrial base that the City once had in its very small downtown is long since gone and is not coming back. It can not be fairly stated that the City will be up-zoning flat land because the fact of the matter is, we have to ask: up-zoning

for whom? The City does not have the population; it does not have the jobs, and is not near a transit center the way other cities might be. This is one of the key considerations as to how a city grows in Southern California and where we place housing. Sierra Madre is 1.75 miles from the nearest Gold Line station, the commuter service the City had going there was carrying approximately seven people per day. That service had to be discontinued in favor of the City's more immediate transit need which was getting seniors around the immediate community.

In addition, the City's bus lines have been reorganized. The City had to fight a battle and save the bus lines because the ridership up to Sierra Madre is not what is experienced in other communities. There is some significance to this as there is no freeway that actually goes through Sierra Madre. Additionally, if the Gold Line is extended past the Pasadena foothills and on out to the Inland Empire, it is still not going to touch Sierra Madre and the city's population will not be a significant source of the ridership.

Sierra Madre has pointed out in its appeal that there are three properties that are undeveloped and can maybe hold 10 units at best, which not anywhere near enough to meet the RHNA assessment which has been assigned nor is it enough to meet the reduced numbers.

Sierra Madre is requesting that the Committee consider some of these factors that may not have been fully considered.

Elizabeth Delgado, SCAG, presented the Staff report. Ms. Delgado stated that Staff recommends the denial of the revision request submitted by the City of Sierra Madre. The revision request is a request for an additional reduction of 71.1% (98 units) rather than 70% as reflected in the report. Ms. Delgado stated that the City has also submitted an appeal and noted that the appeal request was solely based on methodology and not on AB 2158 Factors.

The recommendation for denial of the revision is based on several factors. Most importantly the City participated extensively in the subregional workshops. As a result of the workshops and a growth trend analysis prior to the workshops and after, there was a 61.3% reduction in the preliminary housing need allocation from 225 to 138 units. The second point is based on AB 2158 factors. The natural topography has been considered, reviewed, and incorporated within the integrated growth forecast. Thirdly, within the analysis of the revision Staff did not find that the City provided the potential for the increase residential development under

alternate zoning. The fourth rationale that the City provided under the constraints for development for additional housing and market demand asserts that there are significant environmental constraints and high financial burdens as a result of the high percentage of hillside, designation of historic building, and infrastructure constraints that go on to a minimal demand for housing and affordable housing.

The letter from HCD which was pointed out earlier by Staff reflects that this does not exempt the City from producing affordable housing or producing housing for all income levels regardless of the financial constraints. This is not in the purview of the RHNA.

Sandra Levin, representing Sierra Madre, stated that she wanted to point out that one item that has not been addressed by Staff's response is the protected lands. The handouts that the City provided today have some additional detail, reflecting parcels identified with APM numbers, which gives detail on a parcel by parcel basis of the Prop. A, restricted lands, the 100.25 acres that Mr. Buchanan mentioned, and in addition it identifies the 192.7 acres of land subject to a conservation easement.

Sierra Madre's fundamental question to Staff is whether there were any units that were allocated to the City in the 313 acres that are clearly protected lands. It appears to the City that some units probably were assigned to this acreage and that may account for a large part of the discrepancy between the City's calculation and Staff's calculations.

Hon. Gil Coerper asked Staff if they had taken into account the specific land that the City was referring too and how Staff assessed it. Ms. Harris responded that if Staff's methodology was looked it would reflect that there is an assessment in terms of the methodology that applies to process where we are required to look at both the regional level and the local level protected lands. It is in the revision process that was used at the Staff level in the latter part of 2006. This is the kind of information that was double verified with jurisdictions and that is why the Staff can say with confidence that that territory is not considered part of the inventory available to meet a RHNA need.

Mr. Coerper then asked the City how it came up with its figures. Ms. Levin responded that the City does not have access to the calculations that SCAG Staff does. What the City does is look at its own maps and GIS system in the city and try to figure out

where there's room for the density and what is the available land. The City tried to mimic the process SCAG staff applied, and came up with substantially different numbers. Ms. Levin expressed that she still hadn't heard from Staff as to whether units were allocated to the parcels and requested verification.

Mr. Coerper then asked Staff to respond to question of if units were allocated to the parcels. Frank Wen, SCAG, responded that the City has asked for a 50% reduction, from 235 to 138, in the beginning which is the basis, considering the land constraint. At this time Staff needs to go back and check a small geographical area whether there are still units in those areas.

Mr. Coerper then inquired of Ms. Levin if there could be any type of building on the slopes. Ms. Levin responded that there was some capability in the red area on the map which is the full 800 acres Mr. Buchanan mentioned earlier. The areas in which there is no capability for development are the 313 of protected lands, plus the 60 acres that are water facilities or debris basins. This totals 373 acres that are completely unusable and the balance of the 800 is restricted by various topographical, geographical and infrastructure constraints.

The Committee inquired if the Prop. A lands were taken into consideration. Ms. Harris responded that Prop A lands were part of the inventory that was used in the Growth Forecast.

MOTION (Hon. Gil Coerper) was made to deny the City of Sierra Madre its revision request to reduce the draft RHNA allocation by 71.1%. **MOTION** was **SECONDED** (Hon. Charles White).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes

Orange County - Yes

Riverside County – Yes

San Bernardino County – Yes

Ventura County – Yes

Imperial County - Yes

5.1.3 **City of San Gabriel** - Revision request to reduce draft RHNA allocation by 34% (277 units).

Ms. Lucita Tong, Planning Manager for the City of San Gabriel, stated that based on the AB 2158 factors, there are three specifics for the basis the San Gabriel's revision request. The first is the infrastructure constraints for development. San Gabriel does not have adequate sewer capacity to accommodate the 820 additional

units by 2014. The City has a deficient sewer system, built in the 1930's. Issues of sludge build up, full pipes, and medium to high flow velocity are contributing factors. These same areas are also the locations of the County Sanitation's Districts facilities for transmission and treatments. Approximately 75% of the City's total sewage flows to these three outfalls. The problem sewer areas are also the same areas designated for the largest densities which are possible within the City. The City did adopt a specific plan in 2006 which up-zones a lot of properties to accommodate for additional development. The cost to complete and upgrade of the sewer system would be around 30 million dollars. The City proposes to implement a user fee to help pay for upgrading the infrastructure. The City anticipates that the soonest these fees would be implemented is in December 2008. San Gabriel is currently working on a Sewer Master Plan to address the sewer capacity issues and to upgrade the infrastructure while engineering staff is reviewing consultant proposals to do this it is estimate that the Master Plan will take another twelve months before it can be completed.

The second reason for the City's appeal is the limited availability of land suitable for urban development. San Gabriel has a handful of vacant lands for development; and has infill development going on throughout the City. Based on input from the residential community as a result general plan update, established neighborhoods are unlikely to be rezoned for higher densities. The present plan calls for preservation of existing residential neighborhoods, specifically single family neighborhoods. The areas where housing could be created are in commercial zones where mixed use development is allowed. However, most of those properties are too small to have the potential to create hundreds of housing units.

The third reason for San Gabriel's revision request is the high housing cost burdens. Within the last few years the San Gabriel Valley region has experienced increased land cost values. The ability to develop affordable housing is economically infeasible for most developers. Property owners choose to basically build condominium developments or single family residences, which is evident based on the last RHNA cycle because the City was only able to provide 7 very low units and 6 low income units. The City also has very limited financial resources and staff to promote affordable housing. San Gabriel's low income set aside fund is approximately \$665,000 which is not nearly enough buy any property or to develop an affordable housing project.

Based on these three factors the City of San Gabriel requests that the Appeals Board reconsider the allocation.

Lingquin Hu, SCAG, presented the Staff report. Ms. Hu stated that Staff recommends denying the revision request based on the following:

- 1) The City is using a different planning period. They are using 2008-2014. The actual planning period is from January 1, 2006 – to 2014 which is an eight and a half year planning period. Using the correct planning and using the growth trend the city provides, they can project to provide 775 housing units in the eight and a half year period, which is only 5% different from the draft RHNA allocation.
- 2) In the revision request three AB-2158 factors are cited, one of which is the availability of suitable lands. This factor was discussed in the workshop and later in a letter San Gabriel provided to SCAG. Staff has already analyzed that factor and incorporated it into the draft RHNA allocation. There is a 46% reduction from the preliminary number.
- 3) Another factor is infrastructure constraints. The justification of the reduction has to be based on state and federal laws or regulations. San Gabriel has not provided evidence of water and sewer regulations or decisions outside of the local jurisdiction's control.
- 4) The third factor cited by the City is the high housing cost burdens, acknowledged by Staff. This does not preclude the City's ability and responsibility to provide affordable housing especially when housing needs allocation is being discussed. Staff recommends that San Gabriel look at different funding resources.

Mr. Bruce Matter, San Gabriel City Engineer, stated that with regards to the sewer and infrastructure and state and federal requirements, the State Water Resources Control Board has hit all the cities in the County within California to develop a Sewer Master Plan and to mandate and establish programs to eliminate spills that would get into the storm drain and into the water system. Unfortunately San Gabriel never had a Sewer Master Plan and is now going through the process. The area of Valley Boulevard, which is the area that could take most of the housing, is running anywhere from 75-95% of capacity.

Ms. Tong stated that she wanted to respond to Staff's presentation with regards to the year of the analysis. The City was under the assumption that it was for the period of 2006-2014. San Gabriel understands the whole period with regards to 820 units is for the entire period. Under the land use issues and environmental constraints that have been presented, it is unlikely that San Gabriel will be able to accommodate all the units. As far as the economic burden, the City has provided evidence with regard to land prices. In reality it is not able to provide the units that SCAG has presented to the City.

Ms. Harris, SCAG, referred to exhibit 7, San Gabriel's letter attached to the City application. In the letter the City discusses the use of alternative household projections indicating what the City felt it could meet as the housing need number. Ms. Tong replied that what the City indicated they could provide would be 543 units. Ms. Harris said that Staff understood that San Gabriel did an analysis for the six year period from 2008-2014 that yielded these numbers. Because the planning period is for eight and a half years, staff simply extrapolated the City's number for the six years to see how close it was to the original assessment number that we had allocated to San Gabriel. The City and SCAG is within 5% of the number.

Hon. Gil Coerper inquired of the Ms. Tong if she had been involved with Staff from the beginning with the draft of the RHNA or did San Gabriel feel it was not necessary to respond back to SCAG. Ms. Tong responded that she and the City Planner were involved in the beginning and she had taken on the lead role after that. Mr. Coerper noted that even with communication, San Gabriel came up with a different figure than Staff did. Mr. Tong said communication was in the sense that she had been told the dates of the appeal hearing, what the factors are, what they mean, the difference between the revision request and appeal but as far as how Staff came up with the analysis, no. The City did not have the opportunity to communicate with Staff on how they came up with the revised numbers. Ms. Tong stated had she known that was the basis for coming up with the 820 she would have communicated with Staff earlier.

Hon. Gil Coerper then asked Staff if there was a secret with its figures that they can not be shared with anyone else. Ms. Harris said absolutely not. She was sure there had been communication. It was summarized in the Staff Report. Mr. Wen responded that in the Staff Report the input from San Gabriel had been included and was the basis for consideration of the reduction which SCAG staff

did. Then from the further analysis of the letter received from San Gabriel, the first round of requests reflects the City's request and is consistent with the letter provided using the planning period of 2008-2014.

Hon. Charles White stated that in listening to the applicant and reading the packet on the sewer system that the City indicated was part of the problem, he did not believe he was absorbing anything new from the City. It appears that there is nothing reflecting that they have no control over their sewer system.

Chair Edney stated that while the Statute states that lack of capacity for sewer is appropriate to discuss under a factor it has to be due to federal or state laws, regulations, or regulatory actions or supply and distribution decisions by an entity other than the local jurisdiction. In this case, it is not based on external factors outside of the jurisdiction.

Hon. Carl Morehouse inquired of Ms. Tong if San Gabriel had an inclusionary housing policy. Ms. Tong responded that the City did not. The City has had a difficult time even building the affordable housing to meet the state requirements. Most of its redevelopment area is primarily commercial so to date the City has no affordable housing. The City has mixed use zoning but the code itself is very archaic. This is an area that the City needs to look into possibly changing. The specific plan that the City has recently adopted promotes mixed use and has already created zoned areas that would allow for densities as high as 3.0 that would generate the housing that the City could meet for RHNA.

MOTION (Hon. Timothy Jasper) was made to deny the City of San Gabriel its revision request to reduce the draft RHNA allocation by 34%. **MOTION** was **SECONDED** (Hon. Gil Coerper).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes

Orange County - Yes

Riverside County – Yes

San Bernardino County – Yes

Ventura County – Yes

Imperial County - Yes

Ms. Tong informed the Appeals Board that based on the hearing on the revision request the City of San Gabriel has no other grounds to argue for an appeal.

Chair Edney stated that for the record he wanted to suggest to San Gabriel that the basis for revisions and appeal are different. Whether that has an indication as to what action the Board will take, the Committee does not know at this point. The consideration factors that the Board looks at under the revision are separate from what they look at and are allowed in the statute under appeals. They are not the same criteria.

5.1.4 **City of Lakewood** - Revision request to reduce draft RHNA allocation by 55% (337 units).

Mr. Jack Gonsalves, Director of Community Development, stated that the City of Lakewood is nine and a half square miles and has a population of 83,287 according to the Department of Finance. It only has 3/10% of vacant land and available for development.

There are three points that Lakewood would like to rebut in the Staff analysis and provide additional documentation to support some of the points in the appeal:

- 1) The first point has to do with housing lagging behind population growth in the city. Lakewood's stance is that it is not lagging. In 1970, the population for the City was 82,973, in 1980 the population decreased to 74,654. In 1970 the number of housing units was 26,244. Household size in 1970 was three and a half persons per household. In 2000 the population was 79,345 still below 1970 yet the number of housing units that had been developed is at 27,310. Current household size by 2000 Census is 2.94 for owner occupied units and 2.97 for renter units. The City contends that the population decreased and is on its way up and is just now reaching what it was in 1970 but with a lot more households. The City contends that it has excess availability and housing supply therefore is not lagging behind.
- 2) In the area of liquefaction, the State's 1998 Seismic Hazard Zone Report shows virtually all of Lakewood in a liquefaction area. There is only a small portion on the western end of the town that does not fall into the category. The higher intensity residential developments would require much mitigation against liquefaction. For one of the developments it would increase the mitigation cost to \$120,000 for a 2-unit project.
- 3) The Lakewood Redevelopment Agency is trying to assist in the provision of affordable housing for low and moderate income households. One of the programs the agency looked into

recently was the provision of a first time homebuyer program and in doing the financial analysis it became clear that the program would require an enormous amount of subsidy, approximately \$333,000. The City has implemented a Scatter Lot Acquisition Program to try to purchase property and make it available to developers who are familiar at creating affordable housing. Lakewood has attempted to sell three sites that the Agency owns, two of the three failed to sell. Partly because of the mitigation cost for liquefaction and the other because the prevailing wage requirements for property that is being subsidized by housing set aside funds. The Redevelopment Agency has approximately 4 million dollars of available funds at a subsidy of \$300,000 per unit. The Agency would only be able to assist 13 units with the funds.

Ms. Ma'Ayn Johnson, SCAG, presented the Staff report. First, she stated she wanted to note a correction. There was a typo in the reduction number, which should reflect 50% not 55%.

She stated that Lakewood contends that the households to population ratio for 2000-2006 is a misrepresentation, however, staff would still like to reiterate that for every 65 people added to the City only one household unit was added in the past 6 years. Furthermore, the City argues about the unavailability of vacant land however the law states that the jurisdiction must also consider increased density and alternative zoning requirements. Vacant land is simply one of the elements provided in AB 2158 but the full factor was not considered or analyzed in the Lakewood appeal.

Lakewood also argues about financial burdens for building affordable housing. However, financial burdens are not an AB 2158 factor and although it might be difficult to implement financially, there still are state and federal resources available that the City can explore, and it does not preclude the responsibility to build low income housing. In the appeal the City also refers to its inadequate current sewer system infrastructure. State law requires that the supply distribution can only be regulated by an entity other than the City. In the appeal the City only discusses the current status quo. This is not necessarily a decision of any future capacity or any decisions made by the entity other than the City in terms of sewer infrastructure.

Mr. Gonsalves rebutted by saying that Lakewood has seen a lot of expansion of existing homes, older populations either die or move out into different kinds of housing, and families move back in. The City has not seen over-crowding conditions. Some consideration

needs to be made particularly because there is a lot of housing that has been created in the community. There does not appear to be as great a need as reported in the Staff's report. The liquefaction portion of the City's appeal is something that needs to take some serious consideration on the part of the Appeal Board. It is a costly condition that has stopped some projects because it became too costly for the developer and required much too great of a subsidy for the Redevelopment Agency.

Hon. Timothy Jasper stated that in its documentation Lakewood claimed that its sewer lines were maintained by agencies other than the City. Mr. Jasper asked if the sewer system was owned by the City. Mr. Gonsalves responded that it was maintained by the County of Los Angeles and a portion by the City of Long Beach. Mr. Jasper responded that was not his question. Mr. Gonsalves then stated that he was not sure who owned the sewer system.

Hon. Paul Nowatka asked if Mr. Gonsalves' reference to the need for \$333,000 in subsidies for affordable housing was per unit. Mr. Gonsalves responded yes and the figure was based on a single family of four and moderate income. It is based on what would be affordable to the family and gap between the price of the housing, approximately \$539,000, and what the Agency would have to provide.

Hon. Carl Morehouse then asked Staff for clarification as to how of liquefaction is evaluated in relation available land, and whether they fit under the criteria of high housing cost burdens. Ms. Harris responded that there was not substantiated documentation in the revision request showing the liquefaction areas. However, in order for liquefaction areas to be considered in the way currently being discussed, in addition to simply mapping the areas, the City would have to provide evidence that it does not allow the development of units on potential liquefaction areas. Staff has not received anything as such.

Mr. Morehouse then asked Staff for clarification on the criteria for generating the concept of needed housing. Mr. Wen responded that it was projected population growth and the associated growth of each local jurisdiction relative to the County, local input is also considered. Mr. Morehouse responded that, as Chair Edney pointed out earlier, the revision request is a different methodology than the appeal where slightly different criteria is looked upon.

Chair Edney posed a question to Mr. Gonsalves on Lakewood's request for a reduction from 667 units to 300 units, when the

analysis says the City has the potential to build 467 units. Mr. Gonsalves responded that realistically the number the City could hope for in that area is 300 units. Lakewood has experienced much less development. The City has very small parcels, duplexes and four-plexes. They are small projects and small sites.

Chair Edney asked Staff to explain how the lack of capacity for sewer water was evaluated in light of the statement that was made by the City that don't control all decisions in regards to the City's sewer capacity. SCAG's legal counsel explained that the AB 2158 factor, 2A, indicates a lack of capacity for sewer water due to several different issues. One could be federal or state laws, regulations or regulatory actions and the second is supply and distribution decisions made by a sewer or water service provider other than local jurisdiction.

Chair Edney asked Mr. Gonzalves to explain what control Lakewood has over the sewer system. Does the City make the decision on supplier distribution or does some other entity make that decision. If it is a L.A. County mainline sewer that they own the County makes the decision, Lakewood does not. When Lakewood refers to lack of adequate infrastructure, it is referring to the County mainline and some aspect that the City controls.

Mr. Gonzalves responded that Lakewood has main truck lines that are owned by the Los Angeles County. The County maintains all the sewer lines in the City with an exception of a few that are maintained by the City of Long Beach. Chair Edney asked what action are Lakewood's management and Council able to take in regard to the sewer system. Mr. Gonzalves responded that in the past it was dealt with on a project by project basis. When the City runs into a problem where there is lack of sewer capacity, the issues has been that it may be off in terms of projects for improvement.

Hon. Gil Coerper stated that after reviewing the documentation and listening to the applicant he did not feel that there was any additional information provided to justify a revision.

MOTION (Hon. Gil Coerper) was made to deny the City of Lakewood its revision request to reduce the draft RHNA allocation by 50%. **MOTION** was **SECONDED** (Hon. Timothy Jasper).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes

Orange County - Yes

Riverside County – Yes

San Bernardino County – Yes
Ventura County – Yes
Imperial County - Yes

5.1.5 City of Temple City - Revision request to reduce draft RHNA allocation by 48% (524 units).

Mr. Joseph Lambert, Community Development Manager for Temple City, stated he had reviewed the letter from SCAG rejecting the request for revision and has no specific comments to rebut regarding SCAG's analysis. However, Temple City does have additional input from one of the City's water providers. On page 81 of the City's appeal letter water capacity is addressed. Temple City has an addendum to that. The City recently got input from the fourth water company that provides service to Temple City. Mr. Robinson, Engineer with Golden State Water Company, stated that most of their system consists of 4 inch diameter water pipes installed in the 1940's. Meeting fire flow requirements for residential projects is currently a challenge in some of their service area. If projects are denser than the City's General Plan currently allows, it may be a challenge to meet fire flow and water flow. If such projects are approved in the future the cost would fall on developers to upgrade the lines to provide adequate fire flow. This could be a significant impediment to denser residential development. However, according to SCAG staff's analysis the City has only provided constraints of the status quo not of future capacity. The limitations will make certain projects economically infeasible; however the City does understand SCAG's argument and is not refuting that. As a small city with limited resources, it has been difficult to stay on top of the process. Temple City urges the Appeals Board and requests that it approve the Staff recommendation for a 102 unit appeal.

Ma'Ayn Johnson, SCAG, presented the Staff report. Ms. Johnson stated that because the City refutes most of its own arguments, she simply wanted to reiterate that the law requires that the decision on supply must be an official decision by the infrastructure provider.

Mr. Lambert responded by pointing out that although Temple City did have sewer and water constraints, however expensive they would be, lines could be put in. Part of the City's revision argument included facts about some of the City's land use patterns. Land values in Temple City are exceptionally high. Generally the type of development Temple City has is when a single house is torn down and a much larger house is built. In the multiple family zones, condominium developments of 12-18 units per acre are

built. They are not necessarily affordable by definition. Temple City has made strides in the last 2 to 3 years in affordable housing. The City now has a second unit and mixed use ordinance. The second unit ordinance has resulted in 20 second units to date. That information was transmitted to HCD a few weeks ago.

Chair Edney stated that the applicant is basically not disputing the findings in the Staff report that was provided regarding the revision.

MOTION (Hon. Paul Nowatka) was made to deny the City of Temple City its revision request to reduce the draft RHNA allocation by 48%. **MOTION** was **SECONDED** (Hon. Charles White).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes

Orange County - Yes

Riverside County – Yes

San Bernardino County – Yes

Ventura County – Yes

Imperial County - Yes

Chair Edney announced to the Appeals Committee that the City of West Covina requested to have its revision and appeal heard at the same time. SCAG's legal counsel said the Committee did have authority to do that.

For the record Mr. Douglas McIsaac, Planning Director for the City of West Covina, stated that it was his request to have the revision and the appeal heard at the same time.

Chair Edney then **OPENED THE PUBLIC HEARING** to accommodate the City of West Covina's appeal request.

5.1.6 City of West Covina - Revision request to reduce draft RHNA allocation by 43% (1,550 units).

MOTION (Hon. Paul Nowatka) was made to deny the City of West Covina its revision request to reduce the draft RHNA allocation by 43%. **MOTION** was **SECONDED** (Hon. Timothy Jasper).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes

Orange County - Yes

Riverside County – Yes

San Bernardino County – Yes

Ventura County – Yes
Imperial County - Yes

- 5.2.6 **City of West Covina** - Appeal request to reduced draft RHNA allocation by 43% (1,550 units).

Mr. McIsaac stated that although West Covina would prefer to have its full request approved, it is willing to accept the recommendation of staff with respect to the appeal.

MOTION (Hon. Gil Coerper) was made to adopt recommendation to partially approve reduction of 1,152 (32%) units contingent upon denial of the revision request. **MOTION** was **SECONDED** (Hon. Carl Morehouse).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes
Orange County - Yes
Riverside County – Yes
San Bernardino County – Yes
Ventura County – Yes
Imperial County - Yes

5.2 OPEN PUBLIC HEARING:
Consideration of APPEAL REQUESTS
Attachment

Public Comment

Lynn Harris, SCAG, announced that the representatives from the City of Sierra Madre filed a written continuance request signed by the City Attorney. The City of Sierra Madre request a continuance of its Appeal to tomorrow's hearing, Friday, April 27, in order to obtain additional information from the Staff.

MOTION (Hon. Jon Edney) was made to continue the City of Sierra Madre's appeal request at the April 27th hearing. **MOTION** was **MOVED** (Hon. Paul Nowatka). **MOTION** was **SECONDED** (Hon. Gil Coerper) and **UNANIMOUSLY** approved.

Chair Edney asked SCAG's legal counsel to explain the appeals criteria. There are three criteria: 1) that the Regional Council failed to adequately consider the AB 2158 factor information submitted, 2) a significant and unforeseen change circumstance has occurred in a local jurisdiction, 3) the allocation was not determined in accordance with the information described in the methodology that was pursuant to sub-division F.

- 5.2.1 **City of Norwalk** - Appeal request seeking a reduction of 11% (35 units) and an adjustment to the income category distribution to reduce their fair share of affordable housing.

The City of Norwalk withdrew their appeal request.

- 5.2.2 **City of Sierra Madre** - Appeal request to reduce draft RHNA allocation by 70% (98 units).

MOTION (Hon. Jon Edney) was made to continue the City of Sierra Madre's appeal request at the April 27th hearing. **MOTION** was **SECONDED** (Hon. Carl Morehouse) and **UNANIMOUSLY** approved.

- 5.2.3 **City of San Gabriel** - Appeal request to reduce draft RHNA allocation by 34% (277 units).

The City of San Gabriel withdrew their appeal request.

- 5.2.4 **City of Lakewood** - Appeal request to reduce draft RHNA allocation by 55% (337 units).

Mr. Jack Gonsalves, Director of Community Development City of Lakewood, stated that in the area of liquefaction, Lakewood does not have any area that it designates as unbuildable because of that. It is an impediment to development and a very costly problem. It makes the provision of housing in the area that the City has available to build housing very difficult.

In the area of sewers, Lakewood does own some of them. The County Sanitation owns the main trunk lines in the community. The City does not have control over when the improvements or expansion of capacity are going to be made.

Ma'Ayn Johnson, SCAG, stated that in their housing element the City is only required to zone and plan for the units, but not actually construct the units.

Mr. Gonsalves stated that when the number of units that is assigned to a community is higher than ever realistically be addressed, it becomes a problem for the community. Lakewood has never been pressed by a housing group or organization to provide housing. Lakewood has done a lot of things to encourage housing. The City has rezoned commercial property for housing several times. The concern that Lakewood has is the number that is allotted to the community is higher than can realistically be built,

that there could be pressure by some group to sue the City because it is not meeting our RHNA number or we are not zoning to that number.

MOTION (Hon. Carl Morehouse) was made to deny appeal request to reduce draft RHNA allocation by 55% (337 units). **MOTION** was **SECONDED** (Hon. Gil Coerper).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes
Orange County - Yes
Riverside County – Yes
San Bernardino County – Yes
Ventura County – Yes
Imperial County - Yes

5.2.5 City of Temple City - Appeal request to reduce draft RHNA allocation by 48% (524 units).

Mr. Joseph Lambert, Community Development Manager for Temple City, stated that he wanted to point out the data that Temple City had submitted to SCAG regarding the Department of Finance records. The City has a lot of old homes that are demolished and replaced with new homes. There have been years when there have been more demolitions than new building permits. Mr. Lambert asked if the Appeals Board would focus not on the City's infrastructure constraints but on the rationale regarding the Department of Finance numbers and replacement housing need.

MOTION (Hon. Timothy Jasper) was made to **MOVE** recommendation to partially approve reduction of 9.4% (102 units) contingent upon denial of the revision request. **MOTION** was **SECONDED** (Hon. Paul Nowatka).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes
Orange County - Yes
Riverside County – Yes
San Bernardino County – Yes
Ventura County – Yes
Imperial County - Yes

5.2.6 City of West Covina - Appeal request to reduced draft RHNA allocation by 43% (1,550 units).

Discussion of this item was taken up earlier in the meeting (5.1.6).

MOTION (Hon. Gil Coerper) was made to adopt recommendation to partially approve reduction of 1,152 (32%) units contingent upon denial of the revision request. **MOTION** was **SECONDED** (Hon. Carl Morehouse).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes

Orange County - Yes

Riverside County – Yes

San Bernardino County – Yes

Ventura County – Yes

Imperial County - Yes

5.2.7 City of Calabasas – Appeal request to reduce draft RHNA allocation to 52% (266 units).

Mr. Tom Bartlett, City Planner for the City of Calabasas, stated that the SCAG report stated that previous consideration had been given to the AB 2158 factors and the previous reduction from 807 units to 516 units was a result of that effort. The City's concern is Staff did not fully consider the AB 2158 factors. The City feels it should have received a greater unit reduction during the draft revision process.

At the November 8th subregional workshop the City communicated its interest in seeing a more realistic and attainable number of 250 units. The initial reduction to 516 units meets that request a little better than half way. The City's written appeal and comments today back up the City's original request. As presented in the written appeal, the City has experienced an uncharacteristically high rate of housing production in recent years due to a single housing project on the lone remaining developable large parcel in the City. The rate of growth experienced by the City was therefore unprecedented and will never again be repeated. This project is now completing the final units and in fact there have only been 13 housing units permitted citywide in the past nine months. SCAG Staff states that they have factored this situation into the revised draft allocation. Yet with 516 units the projected production rate for future years would still be far greater than what can realistically be expected with the few remaining sites in the City.

The City has explained to SCAG officials that virtually all City neighborhoods are private: private enclaves with exceptionally stringent HOA controls, gated streets, and HOA controlled open space lands. The City has 53 HOA's, that's 90% of its residential communities. There is no Redevelopment Authority in the City of Calabasas which could otherwise act as an agent of change for

housing redevelopment and encourage densification in existing neighborhoods. The Staff report suggests that the lack of a Redevelopment Authority is a local choice, a local development condition as opposed to a state or federal condition, and therefore not a factor for consideration under AB 2158. The City does not agree with this and encourages the Committee to reconsider that. The creation of a local development authority may occur for the purpose of overseeing redevelopment planning projects within a redevelopment area, in such an area as predicated on presence of blighted conditions, an essential finding under state law. Because no blighted conditions exist in Calabasas, no redevelopment areas can be carved out to facilitate housing redevelopment and densification. Thus, limitation is essentially a state development condition, not a local condition.

The few undeveloped commercial sites which exist in the City are facing a freeway and are severely constrained by steep topography, 30% slopes and greater. The City's previous suggestion of 250 total units contemplated limited residential development on such lands. To further constrain the City's housing options, one of the few remaining sites was acquired last December (escrow closed this month by the Mountains Recreation and Conservation Authority, a State agency), and made permanent open space. This site is no longer available either.

The AB 2158 factors do not require equitable treatment of similar communities. The RHNA number of 516 for the City compares quite unfavorably with its neighboring city Agoura Hills. Agoura Hills has a nearly identical population base, similar socio-economic conditions, and similar open space constraints yet even though Agoura Hills has a redevelopment area and agency with opportunities for mixed use on sites offering ample opportunities for housing production, Calabasas had a RHNA allocation five times as high. There appears to be no basis why SCAG allocated a fraction of the units to Agoura Hills compared to Calabasas.

In conclusion, 250 units is what Calabasas has been trying to champion as a partner, a player, as a contributing player within the SCAG region for something easily obtained in the City.

Peter Brandenburg, SCAG, presented the Staff report. He stated that Calabasas' appeal request would amount to a 52% reduction from the draft allocation. It is important to note that at the sub-regional workshop and following the workshops, Calabasas made written and verbal comments very similar to what was contained in their written appeal. In response to those comments Staff reduced

the City's preliminary allocation by 41%, 354 units from the preliminary allocation. It does appear unlikely that the City will be able to sustain its recent growth rate given the development projects that have been complete. Staff believes that the RHNA allocation does reflect the likely slowing of the growth rate. Staff is attempting to determine whether the population rose and at an average of 631 persons and 184 households per year between 2000-2005. For the RHNA planning period, SCAG's forecast would have growth proceed at 226 persons and 53 households for the RHNA planning period.

The City submitted further information on infrastructure constraints and availability that were related to local conditions on growth that would not be valid basis for appeal under the 2158 factors. The City cited 39% of the City being protected open space, this was also considered in the Growth Forecast and calculation of the draft RHNA number.

Simon Choi, SCAG, gave a brief formula on how the data was used. He stated that general practice of using data, especially for the census year 2000, is based on DOF. The DOF annual average growth is close to the SCAG estimate, currently 325 persons per year should have been corrected to 627. The household unit should be corrected from 47 per year, to 184. The two numbers from the DOF average and the census are close enough.

Mr. Bartlett stated that he was not sure he understood Staff's contention in looking at the numbers, other than it looks like it is close enough. There is a 50% differential between 325 people per year vs. 681.

Mr. Wen explained Staff's formula for obtaining the calculations. This reflects the actual data consistent with the census and DOF.

Mr. Wen stated that in 2000 Calabasas population was 20,032. In 2005, DOF (July) population was 23,186. That growth is 3,135. In terms of household the 2000 census for Calabasas was 7,229. In 2005, DOF (July) is 8,148. The growth is 919. The data that Calabasas cites does not appear to be DOF data.

Mr. Bartlett stated that the City felt that Staff did not consider the AB 2150 factors enough. The City does not have the capacity to build and develop that number of units over the time frame in this round of the RHNA. Calabasas has programs to promote housing and include affordable housing, including inclusionary housing ordinance, a housing trust fund for which the City is developing affordable housing programs. The City is providing rental

assistance for units and mobile homes; Calabasas includes multi-family projects as well.

Hon. Carl Morehouse, for clarity, pointed out that Calabasas had a lot of gated communities which puts a constraint when you have this kind of enclave where as a legal entity you can not go in and change them easily for higher densities. Mr. Morehouse wanted to make sure that Staff analysis took this into consideration. Ms. Harris responded stated that Staff does not assess whether a jurisdiction has chosen certain security aspects to their development. Staff looks at, from a technical side, the rate of growth, the units already provided, the population, employment, and housing. It is a local decision how they regulate the type of development and whether it is a gated community. It is outside the purview of the RHNA and it may or may not be an issue that the HCD takes up at the State level.

Hon. Tim Jasper commented that if the entire City was a private community would that elevate the City completely from having any new housing added to it - obviously not. In Mr. Bartlett's new information was presented to the Committee that the population increase is only 325 people and 47 households per year. That is over 6 people per household and is well above the average household number which would bring up the fact that there is a housing shortage in the community.

MOTION (Hon. Tim Jasper) was made to deny appeal request to reduce draft RHNA allocation by 52% (266 units). **MOTION** was **SECONDED** (Hon. Gil Coerper).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes

Orange County - Yes

Riverside County – Yes

San Bernardino County – Yes

Ventura County – Yes

Imperial County - Yes

5.2.8 **City of Tustin** – Appeal request seeking an unspecified reduction of the City's RHNA allocation.

MOTION (Hon Paul Nowatka) was made to postpone the Appeal request seeking an unspecified reduction of the City's RHNA allocation until tomorrow afternoon, May 27, 2006. **MOTION** was **SECONDED** (Hon. Gil Coerper) and **UNANIMOUSLY** approved.

5.2.9 **County of Los Angeles** – Appeal request to reduce draft RHNA allocation by 8.2% (4,731 units).

Ms. Julie Moore, Regional Planner for the County of Los Angeles, stated that the County's appeal is based on the methodology. There are two issues the County is appealing the first is annexation. The County believes its appeal should be approved on the basis that SCAG applied an unreasonable cut off date of July 1, 2005 for including annexation data. This resulted in inappropriate allocation of 804 units to the unincorporated area for territory annex to the City of Santa Clarita in 2006. The two year gap between the cut off date from 2005 to 2007 is an unusually large gap and the statutory deadline for the RHNA is not until July 1, 2007. The County's concern is that the RHNA does not properly account for annexation. In addition, SCAG had recommended to the County that there is a formal transfer option. It is the County's position that the City of Santa Clarita is not legally compelled to accept the units. The County is currently engaged in a planning process with the City of Santa Clarita. The County is concerned that it may be stuck with the 804 units to plan for even though the territory has been divested from the County.

The other issue the County is appealing on is the integrated Growth Forecast. SCAG should have reduced the County's RHNA by an additional 3,927 units. That would reflect appropriate and reasonable revisions to population and household growth. Page 283 of the Agenda reads, "Staff did incorporate all requested reduction adjustments specifically in every L.A. County unincorporated area as prescribed by L.A. County except in the North L.A. County unincorporated area." It goes on to give explanations, including that there is a specific major development project that had been omitted originally but was then included. There is only one large proposed development project in the Antelope Valley, the Centennial project. Currently this project has not been approved. The EIR has not been released. There have been no public hearings. The County's General Plan update, which is currently underway, does not envision the approval of the Centennial in its land use plans. Therefore, the County feels it is inappropriate to not accept its request for a reduction of the 3,927 units based on that particular project being approved.

Overall the County is asking for a reduction of the 804 units plus to the 3,927 for a total of 4,731 units. The Draft County allocation is 57,502 units, minus 4,731, leaving 52,771 units. The breakdown of the annexations is 804 units. The annexations were North Park in Santa Clarita in March of 2006, Stone Crest in July of 2006, and

California Canyons in March 2006. North Park included 501 acres, Stone Crest included 409 acres, and each of these were whole census tracts, and California Canyons was 43 acres. The County worked with SCAG Staff to derive how many housing units were associated with those annexations and came up with 804.

Mr. Simon Choi presented the Staff Report. He stated that Staff recommends the denial of Los Angeles County's appeal for reduction of 57,502 units to 52,771 units. At the second Public Hearing and Workshop held in November 2006, Staff provided specific guidelines over incorporating the annexation issues. SCAG has worked with County Staff over the last two years to get to the consensus forecast. After the workshop the County provided SCAG with their opinion and Staff was able to reduce the preliminary allocation by 60%. However, SCAG could not approve a whole reduction request because of major development projects in a portion of North L.A. County. SCAG's traditional practice is to reflect as many major projects as possible in the long term transportation plan process. There is a large project identified in the Northwestern portion of L.A. County: the Centennial. The target housing unit development for that area is around 23,000 for a targeted 20 year period.

Mr. Bruce McClendon, County of Los Angeles, rebutted the Staff report by stating they did not address at all the need to make an adjustment with respect to what was annexed. In respect to the second issue, the methodology, there are false assumptions that have generated false solutions. The assumptions here are not valid. The justification given is that the large potential projects need to be reflected. When are those reflected?

There are two fallacies with respect to assuming the Centennial project is going to be approved. It is creating questions about the fairness and objectivity of L.A. County when it comes to reviewing the development proposals and it is scheduled for public hearing and the County has access to the environmental analysis. The public has then had an opportunity to review the plan and then our elected officials have had an opportunity to make a decision. At which point it is appropriate to reflect these projects in this kind of calculation. It is premature to make this assumption and it has created doubts and raises legal issues in the event that the County's Board actually approves it. The other fallacy is this puts pressure on the Board of Supervisors to approve this project because the numbers have already been reflected and the County will be expected to provide for this growth.

Hon. Carl Morehouse inquired if Staff did address the 804 units that were annexed in the City of Santa Clarita. Mr. Wen responded that it was addressed very clearly at its 2nd public hearing held on January 10, 2007 regarding the Integrated Growth Forecast and the RHNA mythology. Staff spelled out the additional issues that needed to be resolved regarding the annexation very clearly. All Draft allocations are based on City and County boundaries as of July 1, 2005. In addition annexation after July 1, 2005 will be handled through Joint Agreements between the incorporated cities and the County. Staff worked with the County very hard to identify the 804 units. Staff had several follow-up meeting with the County and after that a workshop. The City of Santa Clarita was never brought to the table and from a technical stand point; Staff was not informed of the joint agreement. If there is a joint agreement, Staff would be happy to do a counting adjustment to the units.

Ms. Harris included that a line needed to be drawn somewhere because boundaries change especially in a six county region. In this particular case Staff had meetings with each LAFCO, excluding Imperial County, giving the opportunity to each one to provide updated boundaries as of a certain date in a format consistent with SCAG's data set that would allow Staff to use a date newer than the one mentioned in the policy. Only one LAFCO took advantage of that, Orange County. Staff did not want to say that only Orange County's LAFCO agreement was adequate in terms of SCAG's membership. That is when the additional policy was developed which would say that maybe the LAFCO won't have its material in time then, the County and the City can come in together and ask for an adjustment. In terms of the final RHNA with some kind of documentation from the County and the City of Santa Clarita the final RHNA could reflect that change.

Hon. Gil Coerper asked staff to explain what methodology was used, and whether the annexing of the City of Santa Clarita taken into Staff's figures. Mr. Wen responded no, the boundaries are as of July 1, 2005. Mr. Coerper then inquired of the applicant if Staff did not come up with correct methodology in going through the figures. Mr. McClendon responded that this was an assumption about boundaries that no longer exists. Staff has now testified that they can make an adjustment but they are constrained because there needs to be an agreement between the County and City of Santa Clarita. What agreement can be reached upon, the property's been annexed, and the housing units are there. Ms. Harris inquired of Mr. McClendon if he knew if the negotiated LAFCO agreement for this particular area and that City, did it include the transfer of housing need to the City of Santa Clarita? LAFCO agreements are

able to include the transfer of housing need, if you can provide Staff the signed LAFCO agreement that shows that the housing need was transferred in those areas we can then make the adjustment to the figures. Mr. McClendon replied that the County's position was that the agreement was unnecessary. There is no issue here, no one is disagreeing that the annexation has taken place. Ms. Harris responded that SCAG treated every City and every County the same, if L.A. County wants an exception to the way Staff treated every city and county, with concurrence to the LAFCO, then SCAG has opened the avenues for that exception to take place.

Ms. Harris explained that SCAG had a process that is described in its methodology as approved by the Regional Council which is long standing practice in the development of the forecast that the point of consideration about potential development is when they file the State mandated Intergovernmental Review Clearing House paper. That is the case for the Centennial project outlining 23,000 dwelling units in significant employment potential.

Chair Edney asked that Staff clarify the process of the Integrated Growth Forecast in terms of starting with a number and a cut off point. Mr. Wen responded that the numbers are there, the argument is whether the numbers should be moved from L.A. County to the City of Santa Clarita. The question is which jurisdiction has responsibility. Mr. Edney said regardless of the timeline, the annexation has happened; the numbers go to the City of Santa Clarita. The question becomes, there is a policy procedure in which the Integrated Forecast cut off at a certain date which was July 1, 2005. This happened after that process. What Staff is staying is they have to ability to put that onto the allocation number for Santa Clarita based on the 2005 cutoff without a prior agreement. From a legal standpoint, let us assume that the Board would suggest that the 804 units appealed under that annexation issue was approved, how does that fit in the fact that SCAG would have to reallocate the units to the rest of the region when in fact we know they don't belong to the region, they belong somewhere else. SCAG's legal counsel responded that what was currently before the Board is the appeal of L.A. County and it is not part of the Board's decision what happens if you grant or deny the appeal, you are merely deciding if one of the appeal grounds is met and if so, the law determines what happens. It is not consequential other than the regular process that already has been adopted in another statute.

Mr. Carreras, SCAG, stated that there are special provisions in State law beyond trade and transfer and alternative distributions. Alternative distributions have to do with successfully appealed units and that is not the case here. There is provision in State law to transfer from county to city under specified conditions. The approach SCAG had identified in its policy would be less burdensome administratively if there is mutual cooperation to the dual agreement proposed in the Staff report.

Ms. Joann Africa, SCAG, inquired of the County on its LAFCO agreement with Santa Clarita is what the scope was in terms of housing, what are their obligations and can it be construed that they would be responsible for these. Ms. Moore responded that the agreement does not address the transfer of RHNA units; typically the agreement does not contain that information. Ms. Africa asked if it was broad enough to encompass it. Ms. Moore stated that in the future when there is an annexation that occurs there will be some condition included that the RHNA units transfer along with the territory. Ms. Africa inquired if the County had provided a copy of the LAFCO to Staff. Ms. Moore responded no. The County assumed that Staff, in doing the forecast, would actually have a copy of the agreement. The County did not give Staff an actual copy of the transfer agreement.

Mr. Edney asked that Staff explain the other processes besides the trade and transfer. Staff said there were statutes in State law not directly related to the allocation, but after the final numbers are approved, the numbers can be transferred to the City. Mr. Carreras responded that the law itself provides specific steps and conditions to transfer only from a county to a city, not the other way around. It is a burdensome process; a less burdensome process is what Staff proposed on Page 283 of the report, wherein SCAG would accept, based on mutual agreement by County and Santa Clarita, the transfer under the specific conditions noted in the staff report.

Mr. Edney stated that it was recognizable that there was an issue with the numbers. Staff has provided numbers that are not attractive to the L.A. County; there is an alternative measure to move forward. There is the trade and transfer; there are other statutes in the law that allow the County to move the units to a city. The issue is what the Board should do based on legal advice, if it moves forward with a partial granting of the appeal based on the 804 units, those units will go back into the reallocation as the statute and process requires.

Hon. Paul Nowatka stated this particular circumstance might happen in other counties, but the Board needs to address this circumstance by itself. There are two issues, first annexation occurs which resulted in 804 units, and second, at some point later a policy is created that states you have to do something a certain way. Legal counsel has informed the Board that there were concerns about doing it retroactively, but these 804 units do not belong to L.A. County.

MOTION (Hon. Paul Nowatka) was made to grant a partial approval of the appeal request units in the number of 804 units to reduce draft RHNA allocation by 804 units. **MOTION** was **SECONDED** (Hon. Carl Morehouse).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes

Orange County - Yes

Riverside County – No

San Bernardino County – Yes

Ventura County – Yes

Imperial County - Yes

5.2.10 City of Palmdale – Appeal request to reduce draft RHNA allocation by 44% (7,754 units).

Simon Choi, SCAG, presented the Staff report. The City asked for a reduction of 44% for several reasons, the first: jobs/housing balance, second: infrastructure for additional development and third: market demand for housing. In addition, the City cites problems with methodology. Staff attempted to respond to the methodology issues by looking at the building trend of the City and the City's trend of household growth as related to the County. In 1980, Palmdale's population was 12,000, it is now 140,000. From a forecasting perspective Palmdale still has more potential for future growth.

One issue was water availability, for which Staff was not able to get appropriate documentation to support the City's argument of lack of water availability for future growth. Given that, Staff is very comfortable with its recommendation.

Mr. Herath responded that in terms of potential growth, Palmdale has grown over the past several years. As a result, all of the available land has been used for development of affordable housing. What is available now is more difficult terrain to build homes which will drive up the cost of the homes. The City has two

large developments remaining, which are both located in hillside areas with lots of constraints.

In terms of water availability, at this time adjudication of the water basin is being discussed. Since it has not been done yet, everyone is free to draw from the existing water basin. Some form of adjudication will be done in the near future and therefore more restrictions will come in from the Palmdale Water District and the L.A. County Water District. The future adjudication will slow down the City's development.

Hon. Gil Coerper asked what the size of Palmdale was. Mr. Herath cited approximately 101 square miles and inside the city limits is L.A. County area which is earmarked for Los Angeles World Airports (LAWA). This area is 17,750 acres. In order to create a buffer area round that airport there is a one mile wide area surrounding it which is zoned industrial, and unsuitable for residential development.

Hon. Charles White stated that the applicant indicated they were out of land and that their water board was unable to serve the growth. Mr. White inquired if the applicant had turned in documentation to that effect to Staff. Mr. Herath responded that the City did not submit anything supporting this.

Hon. Carl Morehouse asked for confirmation from Staff Palmdale's contention about market demand and the water constraints where the City claims that the L.A. Water District another jurisdiction that they have no control over. Mr. Choi responded that with market demand, jobs are a driving force and job growth is cyclical. In the recent couple of years, job growth has been relatively slow but the Southern California Region is expecting to grow faster than the national average in the future. Given that, Staff still assumes that the City is taking its share of job growth in the region. Palmdale is an attractive suburban area and many people are interested in buying property and moving there because of its affordability. Staff worked closely with local planners to develop this integrated growth forecast and the numbers were provided to SCAG in a coherent format.

With regards to water authority, Mr. Choi stated that Staff did not receive detailed information from Palmdale on the argument related to the water authority. Mr. Herath responded there is an existing letter, dated 2003 and repeated in 2004 and 2005, from the L.A. County Water District saying that they will not provide water to any new development. There were subsequent discussions with

the County and they are looking into forming various types of CFD's and districts to build infrastructure. If necessary, Palmdale can provide a copy of the correspondence. The adjudication process just started; therefore there is not much information beyond the L.A. County letter that we can produce. In terms of additional housing beyond 9,000 to 10,000, the City has a large development, City Ranch and Creek Ranch specific plan areas that were started in early 1990. The development is five to six thousand units each, with about 1,400 completed which were allocated to the last RHNA cycle. The contractual agreement with the County is to provide water to the development. Palmdale's housing stock is brand new compared to most of the other cities.

Ms. Harris, SCAG, stated that Palmdale continues to be a developing area and Staff worked very closely with the City for the 2004 RTP, given that the City is growing so fast and there are various transportation infrastructure modes and components that come together in Palmdale. The Staff report notes the continuation of the trend that was identified in 2004 as well a check on the growth and future capacity potential which is part of the integrated forecast. The population, household, and employment numbers are all aligned and consistent with what has been going on since the projections in the '04 RTP. This is an obvious case where the integrated forecast is important because the 2004 Forecast paves the way for the transportation infrastructure HOV on SR-14. There is a relationship between the transportation that is in the RTP and in STIP to get it funded to get it built. There is a relationship between that and the projections that the City has accepted in the past and are concurrent and checked with the trend analysis for the future.

Mr. Herath responded that the HOV lane leading up to Avenue P8 was opened approximately a year ago. Whether that had any impact in Palmdale's growth or not it is hard to ascertain at this time. There is not enough data to support that the HOV lane has helped the City to attract additional population into the area. In terms of building permit issuance, the City has not seen any increase. The City is currently experiencing a decrease instead of an increase.

Hon. Gil Coerper asked Staff how the increase in population figures was obtained, citing that the Staff report reflected the population was 69,000 for the year 1990, with an increase to 138,000 in 2005 in the City.

Mr. Choi responded that in the 1980 Census the population of Palmdale was 12,277. The 2005 population estimate from DOF was 138,423. Based on annualized population growth about 5,000 people are added to the City over the last 25 years, between 1980 and 2005.

Recommended Action: MOTION (Hon. Carl Morehouse) was made to accept staff recommendation to deny appeal request to reduce draft RHNA allocation by 44% (7,754 units). **MOTION** was **SECONDED** (Hon. Paul Nowatka).

A roll-call vote was taken and recorded as follows:

Los Angeles County - Yes

Orange County - Yes

Riverside County – Yes

San Bernardino County – Yes

Ventura County – Yes

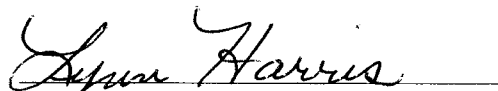
Imperial County - Yes

7.0 CHAIR’S REPORT

None

8.0 ADJOURNMENT

The meeting was adjourned at 3:42 p.m.


Lynn Harris
Manager, Community Development